



DEPARTMENT OF TRANSPORTATION

HIGHWAY CONSTRUCTION FUNDING SOURCES

INFRASTRUCTURE AND GENERAL GOVERNMENT
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ISSUE BRIEF 1

SUMMARY

Prior to 1995 the Department of Transportation relied almost exclusively on Transportation Funds and Federal Funds for any highway capacity increases. In 1995 Utah was facing the challenge of hosting the 2002 Winter Olympics with aging infrastructure. The Legislature with cooperation of the governor developed a plan to use General Funds and increased fuel taxes to fund 41 highway projects throughout the State to address that problem. That program was called the Centennial Highway Program.

In 2005 the Legislature earmarked sales taxes to be used for the Centennial Highway Program and added the Transportation Investment Fund of 2005 to receive sales taxes as well. The Critical Highway Needs Fund was established in 2008 that received \$90,000,000 dedicated General Funds and sales taxes.

The Legislature provided additional highway funding from sales taxes during the 2011 session with enactment of SB 229. That bill earmarks 30% of the growth in sales taxes after July 1, 2011 to DOT. Estimated 2015 revenue from that bill is \$125.8 million dollars.

The Legislature enacted SB 225 during the 2012 General Session that directed all dedicated revenue sources of the above mentioned highway programs be combined into the Transportation Investment Fund. This action will streamline accounting functions of the various programs and still enable the Department of Transportation to track highway projects individually.

Over \$8 billion dollars of new highway construction has been or is being built in the State since the conception of the original plan in 1995. The information on the following page shows revenue sources used to fund highway construction in the State.

Transportation Fund Revenue Sources

<u>FY 14 Estimates</u>	<u>Millions</u>	<u>FY 15 Estimates</u>	<u>Millions</u>	<u>% Change</u>
1 Motor Fuel Tax	256.3	Motor Fuel Tax	257.5	
2 Special Fuel Tax	101.2	Special Fuel Tax	101.1	
3 Other	83.3	Other	84.7	
4 <u>Total Trans Fund</u>	<u>\$440.8</u>	<u>Total Trans Fund</u>	<u>\$443.3</u>	<u>0.57%</u>

General Fund Appropriations to DOT

General Fund ongoing appropriations of \$1.5 million to the State Construction Program.

Federal Funds for FY 2015 are estimated to be \$201.2 million**Sales Tax Appropriations by Statutes cited below**

<u>FY 14 Estimates</u>	<u>Millions</u>	<u>FY 15 Estimates</u>	<u>Millions</u>	<u>% Change</u>
1 One sixteenth	30.8	One sixteenth	32.3	
2 One sixty-fourth	7.7	One sixty-fourth	8.1	
3 Eight point three	174.9	Eight point three	183.4	
4 \$90 million	90.0	\$90 million	90.0	
5 TIF .025	10.9	TIF .025	11.4	
6 TF .025	10.9	TF .025	11.4	
7 30% of Growth	95.1	30% of Growth	125.8	
8 <u>Total Sales Tax</u>	<u>\$420.3</u>	<u>Total Sales Tax</u>	<u>\$462.4</u>	<u>10.02%</u>

Statutory Sales Tax Deposits for Transportation Purposes (FY 2015 Est.)

- 1 UCA 59-12-103(6) requires 1/16% or \$17.5 million on taxable transactions - Currently deposited into the Construction Management line item (estimate \$32.3 million)
- 2 UCA 59-12-103(7) requires 1/64% on taxable transactions to be deposited into the Transportation Investment Fund (estimate \$8.1 million)
- 3 UCA 59-12-103(8)(a)(i) requires 8.3% of revenues collected from sales taxes be deposited into the the Transportation Investment Fund (estimate \$183.4 million)
- 4 UCA 59-12-103(9) requires \$90 million be deposited into the Transportation Investment Fund (\$90 million)
- 5 UCA 59-12-103(11)(a) requires .025% revenue collected from sales taxes be deposited into the Transportation Investment Fund of 2005 (estimate \$11.4 million)
- 6 UCA 59-12-103(12)(a) requires .025% revenue collected from sales taxes be deposited into the Transportation Fund to address checkpoints (estimate \$11.4)
- 7 UCA 59-12-103(8)(a)(ii) requires an amount equal to 30% of the growth in the amount of revenues collected in the current fiscal year from the sales and use taxes described in Subsections (8)(a)(i)(A) through (D) that exceeds the amount collected from the sales and use taxes described in Subsections (8)(e)(i)(A) through (D) in the 2010-11 fiscal year (estimate \$ 125.8 million)

APPENDIX – FUNDING HISTORY

Transportation Fund History

Fiscal Year	Motor Fuel	Special Fuel	Other	Total
1980	60,451,000	10,469,670	18,873,000	89,793,670
1981	56,508,000	10,107,098	20,135,000	86,750,098
1982	67,734,000	12,672,251	21,084,000	101,490,251
1983	68,697,000	12,637,102	30,843,000	112,177,102
1984	68,979,000	14,448,900	33,080,000	116,507,900
1985	89,337,000	17,790,559	33,793,000	140,920,559
1986	92,164,000	19,368,750	34,662,000	146,194,750
1987	99,985,200	20,626,224	34,838,000	155,449,424
1988	129,369,800	27,555,142	35,524,000	192,448,942
1989	131,220,000	29,305,153	36,891,000	197,416,153
1990	132,475,100	29,091,843	38,685,000	200,251,943
1991	131,056,000	36,786,420	39,570,000	207,412,420
1992	136,352,000	33,405,386	44,579,000	214,336,386
1993	141,306,100	35,564,109	47,298,000	224,168,209
1994	150,387,000	36,209,923	49,581,000	236,177,923
1995	155,453,000	40,662,095	52,628,000	248,743,095
1996	163,169,000	43,735,271	54,252,000	261,156,271
1997	168,414,000	46,217,727	52,639,000	267,270,727
1998	217,682,000	72,403,969	54,810,000	344,895,969
1999	225,194,000	73,196,220	58,470,000	356,860,220
2000	237,574,000	76,589,776	64,954,000	379,117,776
2001	229,410,000	80,849,044	64,463,000	374,722,044
2002	237,924,717	85,059,362	62,819,000	385,803,079
2003	236,639,100	85,024,583	65,396,000	387,059,683
2004	239,925,000	86,163,000	64,863,000	390,951,000
2005	241,484,100	93,836,600	69,967,000	405,287,700
2006	240,432,000	101,098,000	76,615,000	418,145,000
2007	254,676,000	111,150,000	78,768,339	444,594,339
2008	250,669,000	112,984,000	82,364,140	446,017,140
2009	235,481,000	101,236,000	85,371,716	422,088,716
2010	243,294,662	94,438,664	73,628,891	411,362,217
2011	252,501,336	102,612,903	80,729,729	435,843,968
2012	252,954,000	104,099,000	79,167,000	436,220,000
2013	256,739,000	100,912,000	81,178,000	438,829,000
2014 est.	256,312,000	101,161,000	83,336,000	440,809,000
2015 est.	257,511,000	101,056,000	84,699,000	443,266,000
% Chg 06-15	7.1%	0.0%	10.6%	6.0%

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Sales Tax Earmarks History

Fiscal Year	8.3% TIF	30% Growth TIF	\$90M + .025% TIF	1/16% Trans Projects	.025% Trans Projects	1/64% TIF	Total
2004	-	-	-	17,618,400	-	4,574,200	22,192,600
2005	-	-	-	18,743,000	-	5,518,700	24,261,700
2006	59,594,700	-	-	18,743,000	-	6,256,700	84,594,400
2007	195,343,700	-	-	18,743,000	-	6,563,100	220,649,800
2008	169,642,900	-	90,000,000	30,712,400	-	7,678,100	298,033,400
2009	150,911,900	-	60,549,600	25,734,200	5,516,300	6,138,000	248,850,000
2010	139,026,300	-	98,540,000	24,036,800	8,506,700	5,985,800	276,095,600
2011	23,042,500	-	99,034,600	25,395,600	9,034,600	6,348,800	162,856,100
2012	158,911,245	-	99,930,641	27,891,926	9,930,641	6,972,982	303,637,435
2013	169,122,726	74,364,372	100,563,390	29,764,870	10,563,390	7,441,218	391,819,966
2014 est.	174,912,926	95,045,513	100,920,167	30,783,701	10,920,167	7,695,925	420,278,399
2015 est.	183,418,234	125,787,591	101,438,701	32,289,034	11,438,701	8,072,258	462,444,519

% Chg 06-15

446.7%